

1 **ECONOMIC DEVELOPMENT TAX INCREMENT FINANCING**2 **AMENDMENTS**

3 2016 GENERAL SESSION

4 STATE OF UTAH

5

6 LONG TITLE**7 General Description:**

8 This bill modifies economic development incentives administered by the Governor's
9 Office of Economic Development.

10 Highlighted Provisions:

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ allows for the state to pay certain outstanding financial commitments;
- 14 ▶ enacts provisions for the state to pay a partial rebate to a business entity for a
15 portion of new state revenue generated by a business entity's new commercial
16 project for an agreement initially entered into before May 5, 2008;
- 17 ▶ creates the Economic Incentive Restricted Account as a restricted account in the
18 General Fund; and
- 19 ▶ provides procedures for the applications and payment of a partial rebate.

20 Money Appropriated in this Bill:

21 None

22 Other Special Clauses:

23 None

24 Utah Code Sections Affected:

25 ENACTS:

26 **63N-2-109**, Utah Code Annotated 1953

27

Be it enacted by the Legislature of the state of Utah:

28 Section 1. Section **63N-2-109** is enacted to read:

29 **63N-2-109. Transition clause -- Renegotiation of agreements -- Payment of partial**
30 **rebates.**

32 (1) As used in this section:

33 (a) "Account" means the Economic Incentive Restricted Account created in Subsection

34 (2).

35 (b) "Partial rebate" means an agreement between the office and a business entity under

36 which the state agrees to pay back to the business entity a portion of new state revenue

37 generated by a business entity's new commercial project.

38 (2) (a) There is created a restricted account in the General Fund known as the

39 Economic Incentive Restricted Account.

40 (b) The account shall consist of money transferred into the account by the Division of

41 Finance from the General Fund as provided in this section.

42 (c) The Division of Finance shall make payments from the account as required by this

43 section.

44 (3) The Division of Finance shall make partial rebate payments due under an

45 agreement initially entered into by the office before May 5, 2008, as provided in this section.

46 (4) (a) Each business entity seeking a partial rebate shall follow the procedures and

47 requirements of this Subsection (4) to obtain a partial rebate.

48 (b) Within 90 days of the end of each calendar year, a business entity seeking a partial

49 rebate shall:

50 (i) provide the office with documentation of the new state revenue that the business

51 entity generated during the preceding calendar year; and

52 (ii) ensure that the documentation includes:

53 (A) the types of taxes and corresponding amounts of taxes paid directly to the State

54 Tax Commission; and

55 (B) the sales taxes paid to Utah vendors and suppliers that were indirectly paid to the

56 State Tax Commission.

57 (c) The office shall:

58 (i) audit or review the documentation for accuracy;

59 (ii) based on the office's analysis of the documentation, determine the amount of a

60 partial rebate that the business entity earned under the agreement; and

61 (iii) submit to the Division of Finance:

62 (A) a request for payment of a partial rebate to the business entity;

63 (B) the name and address of the payee; and

64 (C) any other information requested by the Division of Finance.

65 (5) Upon receipt of a request for payment of a partial rebate from the office, the
66 Division of Finance shall:

67 (a) transfer from the General Fund to the restricted account the amount contained in the
68 request for payment of a partial rebate after reducing the amount transferred by any
69 unencumbered balances in the restricted account; and

70 (b) notwithstanding Subsections 51-5-3(23)(b) and 63J-1-104(3)(c), after receiving a
71 request for payment of a partial rebate and making the transfer required by Subsection (5)(a),
72 pay the partial rebate from the account.